Open Letter to Colorado Health Institute by George Swan, MPH lplus007@gmail.com 303-406-8009

Cc: Colorado Commission on Affordable Health Care (CCAHC)

Center for Improvement in Value of Health Care (CIVHC)

Connect for Health (C4H)

Dept of Regulatory Agencies (DORA)

As noted by the Associated Press in their "Lessons to Learn from Game of Thrones", we are all in it together, whether we know it or not. Unless the owners of the many silos of healthcare data begin to collaborate from a fundamentally transformed perspective, we will continue to run in a vicious circle. It was Einstein who said, "A problem created from one level of consciousness can only be resolved from a higher level."

The excerpt below, from CHI's <u>recent article on health insurance costs</u>, is derived from DORA's <u>annual health cost report</u> to Colorado legislators. Colorado consumers and healthcare stakeholders are being fed with a teaspoon taken from warehouses filled with potentially valuable insight that would go far to make some serious inroads on transforming healthcare as promulgated by the <u>Triple Aim</u> (improved population health, improved patient care and more affordable health care). See "<u>Healthy Colorado</u>"

CHI's article would be far more helpful if it pointed out the serious shortcomings of DORA's health cost report. DORA should make their raw data set available publicly. Visibility of numerators and denominators help to "square the circle" and validate data integrity. DORA could easily create a pivot table in Excel for allow serious stakeholders ability to truly understand the data provided. If DORA participated in a collaboration to produce a "Colorado Health Expenditures" data set, consumers and stakeholders would much better understand the overall growth factors of our healthcare system, and cost-shifting that occurs.

DORA only collects data from the individual and small group insurance carriers, not including other major payers, such as Employer-sponsored plans, Medicaid, Medicare, Military eg TriCare, and Workers Comp. Nevertheless, DORA should collect and report on details by plan and carrier, such as enrollment, premiums, co-payments, deductibles, maximum out-of-pocket expenses, medical loss ratios and out of pocket expenses. Medical expenses should be reported according to Health Expenditure Accounts.

Some relevant examples of data sets, in Excel as pivot tables, are available at CCAHC website, as public input, such as the National Health Expenditures (NHE) report and the Statewide Healthcare (SHE) report, both by CMS. Although not a pivot table, the Canadian Institute for Healthcare Information provides the basic tables for sharing Health Expenditure Accounts data.

The NHE projection of prescription costs does not match the CHI assertion that Rx costs account for the surge in premium expenses. Rx costs are consistently 11-12% of total personal healthcare, and projected growth rate is looking to be on par with other categories eg 5%. Premiums are a function of medical expenses paid by a carrier, as well as their admin costs and profit margin. DORA needs to report this data. But so do the other healthcare payers, in accessible and comprehensive detailed data sets! Preferably as an Excel pivot table.

At the same time, as CHI points out, there are 534 different plans currently on offer in Colorado for the small group market and 275 plans on offer for individuals. Connect for Health has a data base that could easily produce concurrent details of enrollment and cost. Their data set should be available to consumers and stakeholders, preferably in a pivot table format. DORA can do the same.

Colorado's Small Group Market

Insurance prices for small employers are also rising, even though they have been much more stable since 2014. Average requested prices jumped 7.5 percent for 2018 after going up just 2.1 percent for 2017 policies. Choices on the small group market will shrink, with carriers planning to offer 543 separate plans. That's down from 667 this year, and it is the first time since the ACA took effect that choice on Colorado's small group market will contract.

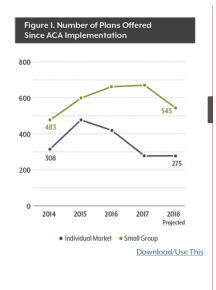
Across the County

The Colorado filings closely track what is happening in other states. Insurers have raised their premiums by double digit percentages across the country for 2018 plans. In Oregon, most individual requested rate changes fell between 12 percent and 20 percent. Anthem Health Plans requested an average increase of 33.8 percent in Connecticut and 34.1 percent in Kentucky. Officials from Washington State reported an average increase of 22.3 percent for 2018 rates. And Tennessee's BlueCross BlueShield requested an increase of 21.4 percent, while Cigna is seeking a 42.1 percent increase in the Volunteer State.

In Tennessee, the spokeswoman for BlueCross said the company would have been able to offer only a nominal increase for 2018, but uncertainties at the federal level led them to propose another double-digit increase. This concern has been echoed by insurers and states across the country, including Colorado.

The numbers across the country are clear: From Washington State to Kentucky, to the East Coast, rates are going up.

Insurance carriers have exited the individual market in several states, including Tennessee, Ohio, Iowa, Washington, and Missouri.



HHS, Actuaries, National Health Expenditures (billions \$) Total NHE | Column Labels % of Total Personal Exp % Change, Yr on Yr Services Expenditures and Clinical Srvcs Prescription Drug Expe National Health Exp Expenditures onal Health Care National Health Services Expense Persaonal Services Dental spital ntal Row Labels 1,165,678 415,531 290,881 Y2000 H Y2001 H 1,494,559 1,265,783 449.358 315.716 67.821 139.147 35.5% 24.9% 11.0% 5.4% 8.5% 8.1% 8.5% 14.8% 8.9% Y2002 H 1 638 146 1 371 921 486 479 340 850 73 684 158 159 35 5% 24 8% 11 5% 5 4% 9.6% 8 4% 8 3% 8 0% 13 7% 8.6% Y2003 H 1.778.327 1.482.135 526.163 367.987 76.279 176.998 35.5% 24.8% 11.9% 5.1% 8.6% 8.0% 8.2% 8.0% 11.9% 3.5% Y2004 H 1.905.725 1.592.275 566.018 393.267 82.053 192.963 35.5% 24.7% 12.1% 5.2% 7.4% 6.9% 9.0% 7.6% Y2005 H 2,034,816 1,700,945 35.8% 24.5% 12.1% 5.1% 6.8% 609,363 417,199 87,017 205,307 6.8% 7.7% 6.1% 6.4% 6.0% 651,923 438,800 91,442 224,445 36.0% 24.3% 12.4% 5.1% 6.5% 6.4% 7.0% 5.2% 9.3% 5.1% Y2006 H 2,167,163 1,809,272 Y2007 H 97,338 236,005 24.0% 12.3% 5.1% 5.2% 2,303,94 1,921,02 692,47 461,770 6.3% 6.4% Y2008 H 2,414,143 728,949 486,463 102,369 242,724 24.1% 12.0% 5.1% 4.8% 5.3% 2,017,27 Y2009 H 2,505,829 2,117,877 776,831 503,176 102,482 254,981 36.7% 23.8% 12.0% 4.8% 3.8% 5.09 6.6% 3.4% 5.0% 0.1% Y2010 H 2.604.131 2.196.167 814.852 518.969 105.378 256.186 37.1% 23.6% 11.7% 4.8% 3.9% 3.7% 4.9% 3.1% 0.5% 2.8% Y2011 H 2,705,302 2,281,789 849,922 540,779 107,643 262,954 37.2% 23.7% 11.5% 4.7% 3.9% 3.9% 4.3% 4.2% 2.6% 2.1% Y2012 H 898.530 565.251 109.971 264.378 4.1% 4.3% 5.7% 4.5% 0.5% 2.817.317 2,379,283 37.8% 23.8% 11.1% 4.6% 2.2% 936,867 586,675 110,970 271,096 Y2013 H 2,468,567 38.0% 23.8% 11.0% 4.5% 4.3% 3.8% 2.5% 0.9% 2,919,137 3.6% 3.8% 23.7% 11.8% 4.4% Y2014 P 2,596,294 978,329 615,043 114,497 305,129 5.5% 5.29 4.4% 4.89 12.6% 3.2% Y2015 P 3,243,542 2,728,575 1,031,144 640,253 119,134 328,436 37.8% 23.5% 12.0% 4.4% 5.3% 5.1% 5.4% 4.1% 7.6% 4.0% Y2016 P 3,402,631 2,862,207 1,087,284 666,493 123,506 343,166 38.0% 23.3% 12.0% 4.3% 4.9% 4.9% 5.4% 4.1% 4.5% 3.7% Y2017 P 3.586.644 3.015.675 1.147.119 698.750 128.259 364.358 38.0% 23.2% 12.1% 4.3% 5.4% 5.4% 5.5% 4.8% 6.2% 3.8% Y2018 P 3.785.470 3.184.318 1.213.585 735.508 134.589 385.127 38.1% 23.1% 12.1% 4.2% 5.5% 5.6% 5.8% 5.3% 5.7% 4.9% 3,380,311 1,291,503 780,131 141,997 408,714 Y2019 P 4,020,047 38.2% 23.1% 12.1% 4.2% 6.2% 6.2% 6.4% 6.1% 6.1% 5.5% 4,273,810 3,591,411 1,374,923 827,395 150,024 435,345 38.3% 23.0% 12.1% 4.2% 6.3% 6.2% 6.5% 6.1% 6.5% 5.7%